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Cuban Ransom Funds Deductible, IRS Says

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An Internal Revenue Service spokesman said yesterday that common law recognizes ransom of prisoners of war as an act of charity. Hence funds contributed to help liberate the men held in Cuba is considered by IRS as tax-deductible.

The Cuban Families Committee for Liberation, which sent attorney James B. Donovan to Cuba to negotiate with Premier Fidel Castro, was given a tax exempt status earlier this year. The group is chartered under Florida law.

Gifts of drugs by manufacturing firms, the spokesman said, would be deductible at the manufacturer's wholesale price. Such groups as the liberation committee are required to report contributions and expenditures five and a half months after the close of their tax year. Some of this information is open to public inspection and IRS is now

considering whether to make all of it public.

Donovan waited in Miami for word from Castro on the next step in negotiations for release of the 1113 Cuban prisoners who were captured during the abortive April 17, 1961, Bay of Pigs invasion.

In a CBS radio interview last night, Assistant Secretary of State Edwin M. Martin said Russia is now supplying military equipment to Cuba at the rate of about \$200 million for this year.

(Martin also estimated that at present overall Soviet assistance in support of the Castro regime is costing Russia about \$1 million a day "above and beyond what they are getting from Cuba.")

(He predicted that new U. S. penalties on foreign shipping in the Cuban-Soviet bloc trade, expected to be imposed next week, will increase Russia's financial burden.)

Meanwhile, the Cuban

Armed Forces Ministry claimed another violation of Cuban airspace by P2V aircraft taking off from the U. S. naval base at Guantanamo Bay in Eastern Cuba. The Ministry's communique said the plane flew one kilometer inside Cuban territory. Such communiques are issued almost daily by the Ministry.